**Internship for Nile 3 : taking a new look on the role of informal institutions in Ethiopia rural areas**

Kiros Habtu [kiroshabtu@yahoo.com](mailto:kiroshabtu@yahoo.com)

Supervised by Catherine Pfeifer ([c.pfeifer@cgiar.org](mailto:c.pfeifer@cgiar.org))

**Project background**

In many discussions, literature review, stakeholder workshops emerging from NBDC, the crucial social capital for water management is emphasized. There are doubts if it is eventually possible to map social capital at the scale of the Blue Nile. New institutional economics, gives a new set of tools allowing to look at social capital at a broader scale. N3 is wondering if within this theoretical background we can find tools to help us to map social capital in a meaningful way. This internship aims therefore at taking a new look at all the informal institutions in Ethiopian rural areas and give us sufficient background to push thoughts about mapping social capital further.

**Internship description**

Several countries in Sub -Saharan Africa including Ethiopia smallholders are amongst the poorest people in the world. Because they are poor, they are more vulnerable to any shocks like droughts, illness, or death of the earning family member. To cope with these shocks, a multitude of informal institutions have emerged, organized and engaged by smallholders in local action groups. These collective actions are institutionalized in many forms of organizations such as farmers associations, different groups like women self-help groups, youth and religious groups and labor exchange societies are well organized. However, formally, little is known about the role of these local institutions how they influence social capital in general and more particularly their contribution to managing water issues.

The objective of this internship is to get an overview of the most important informal institutions in the Ethiopian rural areas and their roles. Based on the recent advancement in new institutional economics, Kiros will try to answer the following questions:

1. What are the existing informal institutions that could measure social capital in rural Ethiopia?
2. What is the economic purpose of each institution?
3. Which institution is a proxy for collaboration on water issues?
4. Empirical evidence of these institutions based on IFPRI farm household survey?
5. For selected institution which type of households are likely to join?